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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

NFAC-5472-78
5 December 1978

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy Director for National Foreign Assessment
National Intelligence Officer for Warning

FROM : National Intelligence Officer for Nuclear Proliferation

SUBJECT : Monthly Warning Report -- Nuclear Proliferation ☐ 25X1

1. Action Requested: None; for your information only. ☐ 25X1

2. Background: A meeting of the Interagency Intelligence Working Group on Nuclear Proliferation was convened on 4 December to identify possible items relating to warning in the area of nuclear proliferation. ☐ 25X1

3. The most important of the several items that were discussed are contained in the subject report (attached). ☐ 25X1

John Despres
John Despres

Attachment: (1)

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NFAC 5472-78 25X1
5 December 1978Monthly Warning Report: Nuclear Proliferation

by

National Intelligence Officer for Nuclear Proliferation

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1. Repercussions from Western Sales of Nuclear Technology to the PRC. India and the Soviet Union are likely to react harshly to French sales of US-licensed nuclear power reactors (and other controlled items) to China. Notwithstanding Prime Minister Desai's strong personal interests in facilitating continued nuclear cooperation with the United States, a variety of opposition leaders, elements within the Janata party, and nuclear, diplomatic, and military authorities are likely to view China's special treatment as a symbol of the international "caste" system based on the overt possession of nuclear weapons in which India is inferior to China. To insure "equality" with China, a coalition of groups is likely, or at least strongly inclined, to block Indian moves toward accepting international safeguards on nuclear facilities. The USSR, both to stimulate Indian interests in competing with China and to limit further Western assistance to China, may increase its nuclear and military assistance to India while possibly also hardening positions it has taken with the US in SALT. Argentina, Brazil, Pakistan, Germany, et. al. are also likely to complain about the discrimination by the United States and France against them and in favor of nuclear-weapons states exemplified by these sales. () 25X1

2. Pakistani Uranium Enrichment Technology Acquisition. Pakistan's efforts to acquire foreign equipment for a uranium enrichment plant now under construction have been more extensive and sophisticated than previously indicated. Despite the best efforts of nuclear supplier states to thwart these activities, Pakistan may succeed in acquiring the main missing components for a strategically significant gas centrifuge enrichment capability. To the extent Indians learn about or suspect Pakistani progress toward a nuclear weapons capability, and there are signs of heightened concern, their aversion to intrusive safeguards on nuclear facilities and their interest in more nuclear weapons-oriented activities may be strengthened substantially. () 25X1

3. Libyan-Indian Nuclear Cooperation. Prime Minister Desai has reportedly promised Libya nuclear assistance, including training and technology transfer in certain previously proscribed fields, presumably reprocessing. This unprecedented decision was apparently taken in response to an offer by Major Jallud (Libya's number-two man) of \$1.5 billion for a number of Indian-manned projects in Libya, along with nuclear cooperation. During his visit to India in July, Jallud expressed his government's concern with Israeli nuclear weapons capability. While one leading Indian nuclear official seems to believe that the agreement, if fully implemented, could lead to a Libyan nuclear weapons capability, the precise terms of agreement are not known, may not yet be decided, but could be settled within the next few months. () 25X1

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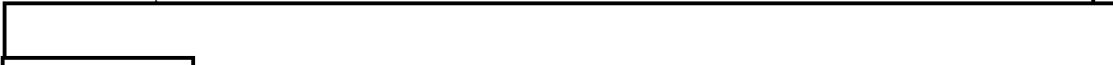


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4. South African Nuclear Weapons Test Facility. The first signs of renewed activity at the military test facility in the Kalahari Desert since it was partially dismantled earlier this year have been confirmed.



While this new evidence has raised doubts about South African intentions, the few new pieces of equipment and bulldozing that have recently been observed at key sites in the Kalahari facility are not particularly significant indicators of preparations for an imminent test. In light of last month's report on South Africa's apparent achievements of high uranium enrichment levels, though, there is a strong consensus that the situation merits closer monitoring than it has been receiving in recent months.

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